

# DEPARTMENT OF CORRECTION

## Enabling Laws

Act 53 of 2003 First Extraordinary Session, A.C.A. §12-27-101 et seq.

## History and Organization

The Department of Correction is responsible for overall management of the State Penitentiary, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of adult offenders as useful, law-abiding citizens within the community. The Mission Statement for the ADC is to:

- Provide public safety by carrying out the mandates of the courts;
- Provide a safe, humane environment for staff and inmates;
- Provide programs to strengthen the work ethic; and
- Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has supervisory power and control over the ADC. The Board has seven voting members including the Chair of the Post Prison Transfer Board, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The ADC Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The ADC has five divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

***Administrative Services*** provides support to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;

***Institutional Services*** oversees the various Institutions, Inmate Grievances, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

***Operations*** directs the Agriculture and Industry Programs, the County Jail Contracts Program (Act 309) and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education and inmate grievances;

***Health and Correctional Programs*** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in

Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

**Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Correction Facilities of the ADC include:

**Benton Unit** - Capacity 325 - Special Operations include Work Release, Technical Parole Violator Program, Education, and Regional Maintenance.

**Boot Camp Program** - Capacity - 212 - Boot Camp (150 male/12 female) and 50 Work Release/Industry program beds for females - Military style boot camp for first time, non-violent Inmates, Education, ReAct and Work Release and Industry (Data Imaging) for female inmates and Regional Maintenance.

**Cummins Unit** - Capacity 1,750 (also operating 50 temporary beds) - Special Operations include the execution chamber, SATP, Special Management Barracks for Mental Health, Education, Vocational Education, canine unit and horse operation. Also includes Agricultural Programs: Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse and Industry Programs: Poultry Operations and Vinyl Products/Silk Screening, Engraving, Garment Factory, and Furniture Refinishing.

**Delta Regional Unit** - Capacity 400 (also operating 128 temporary beds and 76 jail beds) - Special Operations include Regional Maintenance, Education, Narcotics Anonymous Aftercare Program, Life Skills, Pre Release, and Jail Operations. Also includes Janitorial Products Industry Program.

**Diagnostic Unit** - Capacity 459 (also operating 20 temporary beds) - Special Operations include Male Inmate Intake and Classification, Special Program Unit for Mental Health, Hospital Facility, Regional Maintenance, and SATP.

**East Arkansas Regional Unit** - Capacity 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Maximum Security Unit, Jail Operation, Canine Unit, Intake Operation for Parole Violators, and SATP.

**Grimes Unit** - Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Horse and Garden Operations, and an Industry Program is scheduled for FY05. A 400-bed expansion was constructed with inmate labor and completed during FY04.

**Jefferson County Jail/Correctional Facility** - Capacity 400 (also operating 44 temporary beds and 106 jail beds) - Regional Jail Operation. Regional Maintenance and SATP.

**Maximum Security Unit** - Capacity 532 - Special Operations include SATP and Education.

**McPherson Unit** - Capacity 684 (female inmates - also operating 85 temporary beds) - Special Operations include Female Inmate Intake, Regional Maintenance, SATP, Therapeutic Community Program, SPU for Mental Health, Life Skills Program, Parenting Program, Pre-Boot Camp Program, Education, Vocational Education, Garden Operation and Technical Parole Violator Program.

**Mississippi County Work Release Center** - Capacity 121 - Special Operations include Work Release, Regional Maintenance, SATP, and Education.

**North Central Unit** - Capacity 500 (also operating 50 temporary beds) - Special Operations include Canine Unit Horse Operation, Regional Maintenance, and Education.

**Northwest Arkansas Work Release Center** - Capacity 42. Work Release Program.

**Pine Bluff Unit** - Capacity 430 - Special Operations include Work Release, SATP, Education, Canine Unit and Horse Operation.

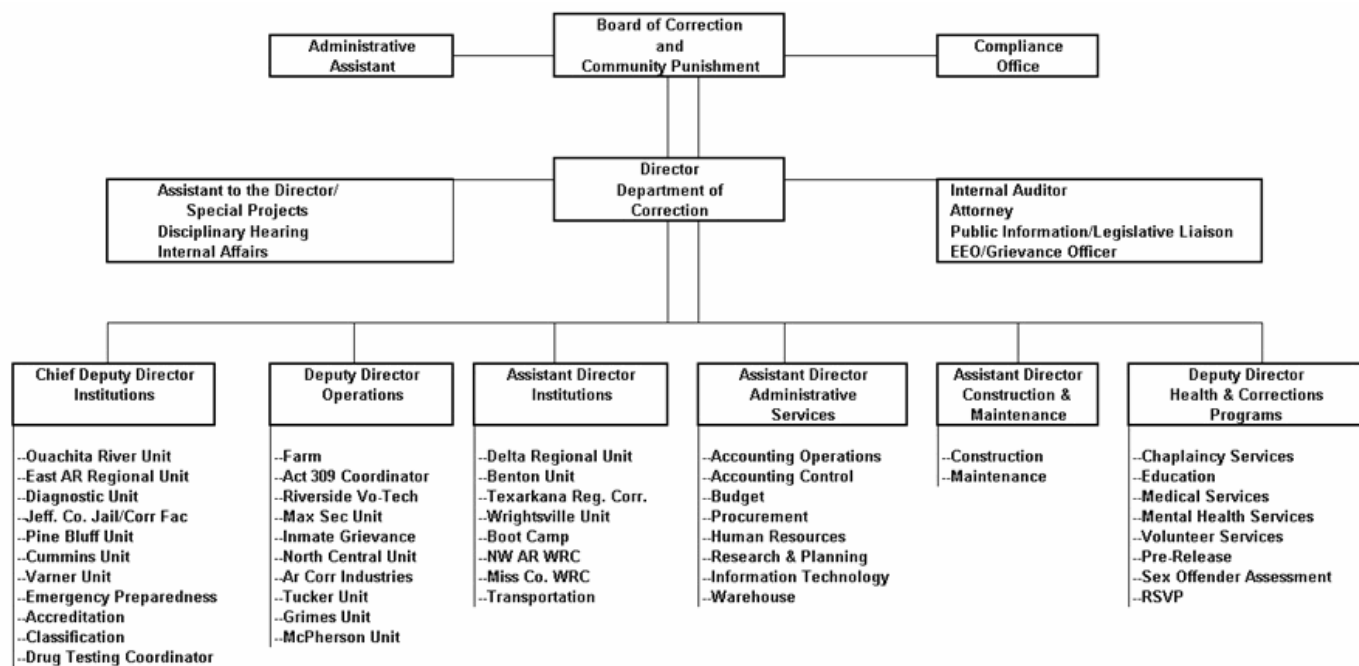
**Texarkana Regional Correctional Center** - Capacity 119 - Special Operations include Regional Maintenance, Work Release, and Education.

**Tucker Unit** - Capacity 796 (also operating 54 temporary beds) - Special Operations include Canine Unit, SATP, RSVP, Habilitation Program, Therapeutic Community and Life Skills, Anger Management, Horse Operation, Laubach Program, Regional Maintenance, Pre-Release, Education and Vocational Education. Also includes Field and Edible Crops Agricultural Program and Industry Programs: Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair, and Athletic Equipment.

**Varner Unit** - Capacity 1,556 (also operating 50 temporary beds) - Special Operations include super max unit, Death Row, Regional Maintenance, SATP, Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Also includes Agricultural Programs: Vegetable Processing Plant and Field and Edible Crops. The super maximum-security addition (capacity 306 single-man cells) was specially designed for enhanced security by restricting movement of the most violently classified inmates.

**Wrightsville Unit** - Capacity 850 - Special Operations include Regional Maintenance, SATP, Education, Canine Unit, Horse Operation, Braille Program and Pre-Release. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing. A 200-bed female unit will be constructed at this unit during FY05/06 for opening during FY06.

**Malvern Unit** - Capacity 316. Two additional Phases (632 beds) are currently under construction utilizing inmate labor and are scheduled to open in January 2006 (Phase II) and July 2006 (Phase III).



## Agency Commentary

The Arkansas Department of Correction (ADC) is responsible for overall management of the State Penitentiary, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of adult offenders as useful, law-abiding citizens within the community. The mission of the Arkansas Department of Correction is to:

- provide public safety by carrying out the mandates of the courts;
- provide a safe humane environment for staff and inmates;
- provide programs to strengthen the work ethic; and
- provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections is responsible for management of correctional resources in the state and has general supervisory power and control over the ADC. The Director of the Arkansas Department of Correction reports directly to the Board of Corrections as the agency's chief executive, administrative and fiscal officer, responsible for the agency's philosophy, mission, and operation. These functions are put into operation through the ADC Management Team and five divisions administratively supervised by a deputy director or assistant director. Divisions are Administrative Services, Institutions, Operations, Construction and Maintenance, and Health and Correctional Programs. Professional staff members who perform functions across all agency program areas are included in ADC Administration.

ADC developed a Strategic Planning Document to begin the process of implementing a comprehensive performance based accountability system for state government. Five Program areas were identified and approved by the Governor and the Arkansas Legislative Council. These programs are 1) ADC Administration; 2) Inmate Care and Custody; 3) Health and Correctional Programs; 4)

Farm; and 5) Industry. All biennial budget requests submitted conform to our Agency Goals, which are:

- Goal 1: To maintain cost effective care, custody, and control over all inmates in an appropriate, safe, humane, and secure environment
- Goal 2: To provide appropriate facilities for inmates sentenced by the courts
- Goal 3: To provide effective correctional and constructive opportunities for inmates to successfully return to the community
- Goal 4: To optimize inmate participation in work programs
- Goal 5: To attract and retain quality staff

Operating appropriations for each program provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on approximately \$500 million of buildings, grounds, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. A large portion of the ADC biennial request is needed to provide for incremental and inflationary operating costs for existing facilities and programs. Growth of the prison system is correlated to growth in the inmate population. And the growth in the inmate population is contingent on numerous factors beyond the auspices of the ADC. These factors include growth in the crime rate, changes in legislation governing sentencing standards and release-eligibility requirements, sentencing practices of the criminal courts, increases in arrest and disposition rates of felony cases, and release and parole revocation rates by the Post Prison Transfer Board. To provide for projected population growth, the ADC biennial budget request also includes the provision for new beds currently under construction.

Change Level requests for each Program Area of the Department are summarized as follows:

- **ADC ADMINISTRATION**

**COI Labor Market Entry Rate Increase** - Funding Request - While much improved from just two years ago, turnover of correctional officers and high vacancy rates at all units continues to be a grave concern. For the 12-month period ending March 2004, our system wide turnover rate for the correctional officer classification was 32.9%. Work as a correctional officer is not for everyone. A majority of our officers work long, twelve-hour shifts and because of the turnover problem, often work extra overtime shifts during their pay period. Some of them supervise some of the worst of the worst of our society. While it is honorable, it is often a dangerous, mentally and sometimes physically fatiguing occupation that simply is not for everyone. However, a majority of our problem in recruiting is that we are often competing for a diminished labor pool especially for units surrounding Pine Bluff and in Eastern Arkansas. As an example, at the East Arkansas Regional Unit we compete with a federal prison facility that starts officers at over \$32,000 per year. This request would raise the starting salary of a Tier 1 COI from just over \$22,000 to \$24,000 (typical for minimum security facility) to a maximum starting salary for a Tier IV from just over \$26,000 to \$27,900 (typical for a medium/maximum security facility). This request is included in all programs and would enable us to fund appropriate increases.

**Maintenance and Operational Adjustments** - Over the past few years, ADC has experienced significant growth in utility expenses and other M&O line items that we have little control over such as trash, telephone, postage, fuel, clothing, linens, vehicle maintenance, and food. We are requesting an increase in these line items for all programs to ensure we meet inflationary cost requirements.

**Information Technology Needs** - Additional positions are needed to provide desktop support for approximately 2,500 pc's and users throughout the ADC system. The industry standard for IT staffing ratios is approximately one desktop support technician for every 50 to 100-computer users. The number of application systems has increased dramatically over the past three (3) years (AASIS, Serapis, eOMIS, Inmate Banking, and TMS - Total Maintenance System). Currently, there is only 11 full time staff assigned to the IT Section, which is less than half the total needed. Request also includes M&O increases needed to support existing systems including network expansion, replacement pc's, increases in DIS service fees, and software upgrade and licenses. This request is critical to our mission given the complexity of our operating systems, the age of some of our equipment, the distance between locations, lack of computer knowledge of our users, and total number of applications used.

**Overtime** - We are requesting an increase in the Overtime line item to provide sufficient appropriation and funding to continue quarterly payments to security officers for overtime as it is earned. In 1997, ADC began utilizing salary savings to pay off balances of banked overtime and has attempted to pay banked balances on a quarterly basis, eliminating accumulation of costs at higher rates of pay. No additional funding is requested as these additional payments, if necessary, will be paid from accumulated salary savings.

**Extra Help.** An increase over base level is needed to provide flexibility in performing essential functions. Temporary employees are hired to complete special projects, assist in periods of heavy work loads (e.g., fiscal year closeout), and to fill in when vacancies occur. The additional amounts will be paid from accumulated salary savings.

**New/Replacement Equipment** - The agency request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Funding over the past several fiscal years has been insufficient to fund equipment needs, and we haven't planned any equipment purchases during FY05 due to budgetary limitations. Funding during the next biennium will be critical to overall operations.

**Upgrades/Reclasses** - A minimum number of upgrade/reclassifications are requested to in order to realign members of the Director's staff.

**Position Reauthorization/Flex** - We request a total of 110 positions be appropriated as flex for the new biennium to enable us to respond to unforeseen situations and to correct inequities within the system that may be required. No additional funding is requested for any of the flex positions.

- **INMATE CARE AND CUSTODY**

**County Jail Reimbursements** - ADC projects an average increase of 40 inmates per month through the biennium. By the end of FY07, current and planned bed/program capacity will total 13,680 inclusive of temporary beds, but the population is projected to be 15,036. The agency change level is for projected additional amounts above base level that we feel will be necessary if no additional beds are authorized or brought on line before the end of the FY 06-07 biennium.

**Maintenance and Operational Adjustments** - Over the past few years, ADC has experienced significant growth in utility expenses and other M&O line items that we have little control over such as trash, telephone, postage, fuel, clothing, linens, vehicle maintenance, and food. We are requesting an increase in these line items for all programs to ensure we meet inflationary cost requirements.

**Labor Market Entry Rate Increase - Funding Request** - While much improved from just two years ago, turnover of correctional officers and high vacancy rates at all units continues to be a grave concern. For the 12-month period ending March, 2004, our system wide turnover rate for the correctional officer classification was 32.9%. Work as a correctional officer is not for everyone. A majority of our officers work long, twelve-hour shifts and because of the turnover problem, often work extra overtime shifts during their pay period. Some of them supervise some of the worst of the worst of our society. While it is honorable, it is often a dangerous, mentally and sometimes physically fatiguing occupation that simply is not for everyone. However, a majority of our problem in recruiting is that we are often competing for a diminished labor pool especially for units surrounding Pine Bluff and the Delta. As an example, at East Arkansas Regional Unit we compete with a federal prison facility that starts officers at over \$32,000 per year. This request would raise the starting salary of a Tier 1 COI from just over \$22,000 to \$24,000 (typical for minimum security facility) to a maximum starting salary for a Tier IV from just over \$26,000 to \$27,900 (typical for a medium/maximum security facility). This request is included in all programs and would enable us to fund appropriate increases.

**Additional Unit Staffing** - A total of 79 additional positions were identified as necessary to provide services or to meet supervision needs that cannot otherwise be provided by existing staff. These include correctional officers to fill critical post assignments; positions for various units to continue elimination of inmates performing clerical assignments that can potentially compromise the security and good order of the institutions and to support implementation of eOMIS program enhancements; and other essential security and program staff.

**Farm Consumption Reimbursement** - Since 1990 the ADC Farm Program has received \$3.6 million from the state Budget Stabilization Trust Fund as reimbursement for food consumed by inmates (\$1 received for every \$1 food provided). A total of \$1 million for each year of the Fy04/05 biennium was provided, but funding was only sufficient to budget half of that amount. Additional assistance is needed to enable ADC to reimburse the Farm \$.50 on each \$1 of food consumed by inmates in order for the Farm to continue meeting consumption

needs of a growing population.

### **New Bed Initiatives:**

- **\_Malvern Phase III (316 beds).** This project was authorized during the 1999 Legislative Session, and the first 316 beds of this new unit were completed by a free-world contractor opened in July 2003. ADC is utilizing inmate labor to complete the final 632 beds. Phase II (316 beds) is scheduled to open January 2005, and Phase III will be completed and ready to open July 1, 2005.
- **Wrightsville 200-Bed Female Addition.** A 200-bed dorm-style building is planned for construction at the Wrightsville Unit. This change level would provide security positions and operating costs for the unit for six months of the first year of the biennium and for twelve months of the second year.

**New/Replacement Equipment - The agency request combines both new and replacement institutional** furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Funding over the past two fiscal years has been insufficient to fund equipment needs, and we haven't planned any equipment purchases during FY05 due to budgetary limitations. Funding during the next biennium will be critical to overall operations.

**Work Release Operations** - Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 465 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The biennial request for Work Release Operations includes additional operating costs increases for utilities, postage, vehicle fuel, maintenance, clothing, etc., additional appropriation for unforeseen needs, new and replacement equipment, and debt service/lease payments that may be required.

**Ancillary Operations - Other** - operations of the ICC program that are funded from cash and other sources include Inmate Welfare, Non-Tax Revenue Receipts, and Federal Grants. Biennial requests for the programs include additional appropriation for operational as well as unforeseen needs.

### • **HEALTH AND CORRECTIONAL PROGRAMS:**

**Medical/Dental Services** - The contract with the medical provider increases annually based on the average increase in the CPI for health care inflationary rate increase for both ADC and DCC inmates. The FY05 per inmate monthly amount is \$220.18. Projections for FY06 and FY07 are based on a projection of 5% growth in the CPI the first year of the biennium and 5.5% growth in the second year. Requested incremental increases total \$2,579,637 in FY06 and \$2,015,145 in FY07. ADC/DCC maintains a "risk pool" to cover costs incurred above an annual aggregate cap of \$5.6 million for both ADC/DCC. The risk pool consists of all contract savings amounts including monthly deductions for man-hour deficiencies. A Master's level social worker II position is also requested to coordinate the appropriate treatment needs of



elderly, chronically ill and terminally ill inmates.

**Mental Health Services** - To ensure we meet constitutional and professional standards for mental health services to the inmate population, an additional twenty-two positions are requested. Following close scrutiny by the United States Department of Justice over the past year, we believe this request is essential to prevent even more costly future mandates and judgments against the state.

**Sex Offender Screening and Risk Assessment** - ADC is required to assess all adult sex offenders required by statute to register in the State of Arkansas. As of May 1, 2004, only 2,877 of over 5,100 registered sex offenders have been assessed. Six additional staff is requested to reduce the backlog of offenders who have not been assessed. This request also includes reclassification of the Program Administrator from Grade 22 to 23 in recognition of the professional skills required of the position.

**Substance Abuse Treatment Program (SATP)** - Short-term treatment for substance abuse has not been effective with the newer generations of drugs and users. Offenders while under the influence of alcohol and drugs often commit property and violent crimes. At the same time, federal funding is being discontinued for existing ADC programs (RSAT Grant) and funding for existing positions will only be sufficient through June 2005. To prevent substantial reductions in the number of inmates in treatment programs, ADC requests resources for continuation of essential substance abuse treatment services.

**Reduction of Sexual Victimization Program (RSVP)** - RSVP is a voluntary program designed to treat sex offenders prior to release. The program is designed to help sex offenders understand, manage and control sexually deviant behavior. Delays in treatment for sex offenders prolongs the cost of incarceration and the chance that sex offenders will be released into the community without treatment. This initiative will increase the size of the RSVP program by 80 beds and requires an additional sixteen positions.

**Maintenance and Operational Adjustments** - Over the past few years, ADC has experienced significant growth in utility expenses and other M&O line items that we have little control over such as trash, telephone, postage, fuel, clothing, linens, vehicle maintenance, and food. We are requesting a increase in these line items for all units to ensure we meet inflationary cost requirements.

**New/Replacement Equipment** - The agency request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Funding over the past two fiscal years has been insufficient to fund equipment needs, and we haven't planned any equipment purchases during FY03 due to budgetary limitations. Funding during the next biennium will be critical to overall operations.

- **Farm Program**

The agricultural operation of the ADC provides the majority of vegetables, meat, milk and eggs consumed by the inmate population and generates revenue by selling soybeans, rice, cotton

and wheat. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. Approximately 18,000 acres are devoted to cash crops, vegetables, hay production and livestock. Special revenues derived from farm receipts replacements support the agricultural program. A biennial request for the agricultural operation provides one additional security position and capital outlay.

- **Industry Program**

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, janitorial products, garment, mattress, school bus/fire truck repair, furniture manufacturing refinishing, vinyl products and athletic equipment. The biennial request for the Industries program provides for new positions for expansion of existing programs as well as implementation of a Prison Industries Enhancement (PIE) program and new/replacement equipment for the various existing industry programs. It also requests upgrades of various program management staff that are essential to the growth and expansion of this self-supporting operation.

- **Special Language**

Continuation of current special language is requested with appropriate revisions, except that we are requesting to delete special language that will no longer be necessary as a result of performance based appropriations. We are also requesting changes in Special Language relative to increasing the number of banked holidays that may be paid annually, and changes in the methodology to be used for the Inmate Cost Study. We request that Special Language relative to assisting with a local government cost report be deleted as we have fulfilled our obligation. We also request that Special Language giving the CIO authority to monitor the agency electronic offender management information system be deleted as the CIO authority is already established by statute. New Special Language to assist in recruitment and retention efforts is also requested to allow ADC to pay employees completing various degrees and professional licenses an educational incentive bonus payment.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
Inmate personal funds at the Wrightsville Unit were not adequately monitored by Agency management resulting in receipts dated September 5, 2002 totaling \$1,285.80 that could not be traced to deposit. The receipts could not be traced to	Strengthen internal controls over the cash receipts and deposit functions at the individual units, and increase management oversight of the inmate personal funds.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2003

Findings

deposit due to inadequate records maintained by the Wrightsville Unit and inaccurate and incomplete bank reconciliations prepared by the Central Office. The Wrightsville Unit business manager and the Wrightsville Unit bookkeeper had custodial responsibility for these funds and are no longer employed by the Agency. Specific internal control weaknesses related to the Wrightsville Unit inmate personal funds account include the following:

- Procedures for depositing inmate cash receipts at the Unit such as reconciling receipts to deposits and reporting any discrepancies were not followed;
- Bank reconciliation procedures were not followed by Central Office employees. Specifically, reoccurring reconciling items were not adequately reviewed by management and promptly resolved; and
- The employees responsible for the receipts and bank reconciliations were not adequately trained or supervised.

The Arkansas Administrative Statewide Information System (AASIS) was implemented July 1, 2001 as the official accounting system for the State. With the implementation of this system, came the responsibility for the Agency to review transactions and other information entered into the system and to perform reconciliations as necessary to assure the accuracy and completeness of the accounting records. The general accountability and control deficiencies associated with the Agency's use of AASIS that were noted during the audit are summarized below:

- Interfund transfers totaling \$5,108,774 and \$691,041 were incorrectly classified as revenues and expenditures, respectively;
- The Agency inappropriately used the miscellaneous revenue account in AASIS to classify revenues totaling \$25,198,328. This included farm sales, industry program sales, pen store sales, federal grants and reimbursements, telephone commissions, work release fees and prisoner housing charges that should have been segregated within the Agency's general ledger;
- Transaction and/or journal entry explanations were frequently inadequate;
- Federal cotton loans outstanding totaling \$2,042,195 were not posted to AASIS;
- Miscellaneous recording errors were noted such as overstatement of compensated absences, jail reimbursement payables and prepaid expenses totaling \$9,752,124;
- Debt service journal entries totaling \$10,477,084 were recorded in the wrong fund; and
- Thirty-three (33) funds belonging to other agencies were included as Department of Correction funds.

Administrative Services had internal control deficiencies over inmate personal funds and perpetual inventories. Specifically, unresolved reconciling items were noted relating to the inmate personal funds at the Wrightsville and Benton Units. Additionally, various units use an over/short general ledger

Recommendations

Work with the AASIS staff to train personnel to accurately record and report the operations of the Agency and to maximize the capabilities of the accounting system.

Strengthen internal controls over inmate personal funds and perpetual inventories to ensure accurate accountability and proper use of funds.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
account as a means to balance inmate personal funds to bank activity. Unknown discrepancies are recorded to the over/short account and the inmate personal funds are reimbursed by the inmate welfare fund. Although the total amount of the unresolved items and the balance of the over/short accounts are immaterial, it reflects a deficiency in the ability of the Agency to properly detect errors and irregularities that could occur in the inmate personal funds. Discrepancies in pen store inventory quantities were noted at the East Arkansas, Maximum Security, Tucker, and Wrightsville Units. The lack of adequate management review has placed these assets at risk.	
<p>A lack of accountability over fixed assets continues to exist due to the lack of sufficient management review of general ledger activity. Deficiencies noted included the following:</p> <ul style="list-style-type: none"><li>• Assets under construction did not have a subsidiary ledger or adequate detail;</li><li>• Construction expenditures for the fiscal year ended June 30, 2002 totaling \$21,309,742 have not been capitalized in the AASIS general ledger; and</li><li>• Three (3) completed construction projects valued at \$23,475,505 were not closed to the appropriate asset.</li></ul> <p>Sound internal and accounting controls and monitoring of the AASIS general ledger are the responsibility of management. The ability to properly safeguard and account for these assets was jeopardized as a result of inadequate controls.</p> <p>The management of the farm program and Administrative Services failed to allocate expenses to determine the value of 9,707 acres of crops in progress at June 30, 2003. Failure to determine these values could lead to inaccurate financial reporting and does not reflect sound business practices.</p>	<p>Strengthen internal controls over fixed assets to ensure accurate accountability and proper use of funds.</p> <p>Implement and follow procedures to accurately allocate expenses to the value of crops in progress at year end.</p>

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE  
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
None	None

## **Employment Summary**

	Male	Female	Total	%
White Employees	1,069	550	1,619	49 %
Black Employees	742	915	1,657	50 %
Other Racial Minorities	8	10	18	1 %
Total Minorities			1,675	51 %
Total Employees			3,294	100 %

## **Publications**

### **A.C.A 25-1-204**

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	ACA 12-27-107	N	Y	500	Required by Statute
Inmate Handbook	ACA 12-27-106	N	Y	5,000	Required by Statute

## Department Appropriation / Program Summary

Historical Data						Agency Request and Executive Recommendation								
Appropriation / Program	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
0480P01 DOC Administration Program	17,079,094	237	23,515,841	222	28,575,810	502	33,706,349	338	33,378,871	338	34,063,321	338	33,733,544	338
0480P02 DOC Inmate Care & Custody Prgrm	165,116,044	3,354	164,978,790	3,444	181,249,036	3,444	206,395,330	3,652	202,585,474	3,652	211,642,463	3,652	207,606,480	3,652
0480P03 DOC Health & Correctional Prgrm	41,936,282	202	45,421,950	217	47,639,285	219	51,920,472	273	51,894,848	273	54,226,267	273	54,199,873	273
0480P04 DOC Farm Program	9,515,067	54	10,226,737	55	10,271,290	55	10,943,956	56	10,892,480	56	10,843,166	56	10,790,742	56
0480P05 DOC Industry Program	5,652,754	47	7,812,955	50	8,164,832	50	8,553,573	56	8,437,696	56	9,065,098	56	8,946,355	56
Total	239,299,241	3,893	251,956,273	3,988	275,900,253	4,270	311,519,680	4,375	307,189,369	4,375	319,840,315	4,375	315,276,994	4,375

Funding Sources			%		%			%		%		%		%
Fund Balance	4000005	6,493,369	2.6	9,509,932	3.7		2,839,737	0.9	2,839,737	1.0	0	0.0	0	0.0
General Revenue	4000010	210,907,533	84.8	209,336,947	82.2		258,600,200	85.0	252,683,459	84.8	265,224,624	84.9	259,367,787	84.7
Federal Revenue	4000020	552,586	0.2	800,947	0.3		922,951	0.3	922,951	0.3	937,986	0.3	937,986	0.3
Special Revenue	4000030	13,260,237	5.3	12,143,156	4.8		14,834,258	4.9	14,635,850	4.9	16,322,730	5.2	15,972,651	5.2
Cash Fund	4000045	13,683,051	5.5	14,096,903	5.5		23,371,216	7.7	23,371,216	7.8	26,282,580	8.4	26,282,580	8.6
Merit Adjustment Fund	4000055	0	0.0	5,308,125	2.1		0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	3,600,000	1.4	3,600,000	1.4		3,600,000	1.2	3,600,000	1.2	3,600,000	1.2	3,600,000	1.2
DFA Motor Vehicle Aquisition	4000184	312,397	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		248,809,173	100.0	254,796,010	100.0		304,168,362	100.0	298,053,213	100.0	312,367,920	100.0	306,161,004	100.0
Excess Appropriation/(Funding)		(9,509,932)		(2,839,737)			7,351,318		9,136,156		7,472,395		9,115,990	
Grand Total		239,299,241		251,956,273			311,519,680		307,189,369		319,840,315		315,276,994	

## **Analysis of Budget Request**

**Appropriation / Program:** 0480P01 - DOC Administration Program

**Funding Sources:** HCA-DOC Inmate Care & Custody;SDC-DOC Farm;Other Funds

The Department of Correction is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and Special Revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

During the next biennium the Agency will operate utilizing performance based appropriations. The ADC Strategic Plan includes five Programs.

- ***Program 1 - Administrative Services*** provides for Board of Correction and department-wide administrative, managerial and legal support activities that assure managerial oversight and allocation of correctional resources as well as information technology support to all units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures.
- ***Program 2 - Inmate Care & Custody*** provides for the administration, staffing and operation of all security classifications of institutions/units to include Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification, Emergency Preparedness, and Construction and Maintenance. It also includes all commissary operations to provide inmates the opportunity to purchase approved health, grooming, and food items. It also includes processing of reimbursements to city and county jails for housing State inmates as a result of a contractual agreement or in the event that upon commitment to the Arkansas Department of Correction bed space is insufficient.
- ***Program 3 - Health and Correctional Programs*** is responsible for Medical and Mental Health Services, and various structured, religions, counseling, and educational programs. The Health and Correctional Programs Division also includes educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education, vocational education and training opportunities provided by the Department of Workforce Education and federally-funded grant program enabling youthful offenders to take college courses funded by the Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose

members are appointed by the Governor and prescribed by law.

- **Program 4 - Farm** provides for administration and coordination of agriculture and livestock operations. The farm provides vegetables, meat, milk, and eggs for consumption by the inmate population. State funding of \$3.6 million annually for inmate consumables and cash crops produced by the department make this a self-supporting operation.
- **Program 5 - Industry** produces goods and provides services for public tax-supported agencies, nonprofit organizations, and employees of ADC, and provides opportunities for inmates to learn productive and marketable skills. Industry programs include: Graphic Arts and Duplicating, Mattress Manufacturing, Garment Manufacturing, Furniture Manufacturing, Vinyl Products, Janitorial Products, Athletic/Recreational Equipment Production, and the Fabrication Shop.

The Agency obtained 69% of overall program objectives on their Final Progress Report for FY04. Out of nine measures for Program 1, then Agency met or exceeded all but one. The Agency obtained 35.4% turnover rate of Correctional Officers falling short of their target of 30%.

The Base Level Request for the Administrative Services Program is \$21,925,999 in FY06 and \$22,195,750 in FY07.

The Base Level Request for this program includes a graduated salary increase of 3% to 1.5% each year over the FY05 salary levels, along with related Personal Services Matching costs for 222 Base Level Positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$320 per month.

The 2005 - 2007 Biennial Budget Change Level Request for the Administrative Services Program totals \$11,780,350 in FY06 and \$11,867,571 in FY07. Of these amounts, the Agency requested additional General Revenue totaling \$1,284,853 in FY06 and \$1,258,276 in FY07. The Agency is requesting \$7,351,318 in FY06 and \$7,472,395 in FY07 un-funded appropriation.

The following is a summary of the major components of the Program 1 Administration's Biennial Request with amounts for each fiscal year of the biennium respectively separated into Three (3) categories:

1. General Revenue Increases:

- Upgrades and Reclassification of various positions - \$76,821 and \$79,101
- Labor Market Entry Rate to attract and retain correctional officers - \$15,224 and \$15,681
- 5 Information Technology System Analyst positions with operating cost - \$214,194 and \$199,309
- Information Technology Equipment and Operating cost - \$433,600 and \$497,000
- Document Examiner with related expenses and Construction Equipment - \$118,264 and \$30,098
- Shared Cost - Capital Equipment - \$220,000 each year



- Shared Cost - Operating Expense - Utilities - \$206,753 and \$217,090

2. Cash Increases:

- Non Revenue Receipts request for increases in IT Operating and Capital Expenses - \$720,000 each year
- Work Release - increases in Operating, Travel, Capital, Professional Fees, Data Processing, and Debt Service Expenses - \$2,424,179 and \$2,416,900

3. Un-funded Appropriation for Administrative and Operational Expenses:

- Total appropriation of \$7,351,318 in FY06 and \$7,472,395 in FY07 requested as un-funded appropriation. The break down of these un-funded amounts are \$4,751,318 for FY06 and \$4,872,395 for FY07 in Salary and Personal Service Match appropriation for 110 Flex Positions, and \$100,000 of Extra Help each year, and \$1 million for Overtime each year, and \$1,500,000 for Debt Service Payments each year of the biennium.

The Executive Recommendation provides for Base Level and additional General Revenue funding of \$640,353 in FY06 and \$714,090 in FY07 in Program 1 Administrative Services. The following provides detail of the Executive Recommendation:

The Executive Recommendation further provides appropriation each year of the biennium for the following agency requests:

- 5 Information Technology System Analyst positions with operating cost - \$214,194 and \$199,309
- Information Technology Equipment and Operating cost - \$433,600 and \$497,000
- Document Examiner with related expenses and Construction Equipment - \$118,264 and \$30,098
- Shared Cost - Operating Expense - Utilities - \$206,753 and \$217,090

Funding and Appropriation is provided for the following Cash Fund Requests:

- Non Revenue Receipts increases in IT Operating and Capital Expenses - \$720,000 each year
- Work Release increases in Operating, Travel, Capital, Professional Fees, and Data Processing Expenses - \$2,424,179 and \$2,416,900

Un-Funded Appropriation is provided for the following Administrative and Operational Request:

- Un-Funded appropriation totaling \$7,351,318 in FY06 and \$7,472,395 in FY07 for 110 Flex Positions, Extra Help, Overtime, and Debt Service Payments.

The Executive Recommendation provides for 6 new positions and 110 flex positions.

## Appropriation / Program Summary

**Appropriation / Program:** 0480P01

ADC Administration

**Funding Sources:**

HCA-DOC Inmate Care & Custody;SDC-DOC Farm;Other Funds

Program Description	Program Goals	
The Board of Corrections is responsible for management of correctional resources in the state and has general supervisory power and control over ADC. The Director of the Arkansas Department of Correction reports directly to the Board of Corrections as the agency's chief executive, administrative and fiscal officer, responsible for the agency's philosophy, mission, and operation. These functions are put into operation through the ADC Management Team and four divisions administratively supervised by a deputy director or assistant director. Divisions are Administrative Services, Institutions, Construction and Maintenance, and Health and Correctional Programs. Professional staff members who perform functions across all agency program areas are included in ADC Administration.	1	To manage and coordinate resources for a diverse system of corrections.

Objective Code	Name	Description
00FV	Objective 1	Provide department-wide administrative, managerial and legal support activities that assure managerial oversight and allocation of correctional resources, the attainment of agency program objectives and compliance with ADC Administrative Regulations and Directives and with state statutory and procedural requirements.
01FV	Objective 2	Generalized and miscellaneous operations support the attainment of all program goals and objectives through shared accountable costs.
02FV	Objective 3	Through ongoing and expanded personnel development, recruitment and retention efforts, reduce the agency wide and correctional officer turnover rates through the 2007 biennium to within 10% of the national average and meet state and agency standards for training through operation of an American Correctional Association (ACA) accredited Training Academy.
FV00	Objective 1	Provide department-wide administrative, managerial and legal support activities that assure managerial oversight and allocation of correctional resources, the attainment of agency program objectives and compliance with ADC Administrative Regulations and Directives and with state statutory and procedural requirements.
FV01	Objective 2	Generalized and miscellaneous operations support the attainment of all program goals and objectives through shared accountable costs.
FV02	Objective 3	Through ongoing and expanded personnel development, recruitment and retention efforts, reduce the agency wide and correctional officer turnover rates through the 2007 biennium to within 10% of the national average and meet state and agency standards for training through operation of an American Correctional Association (ACA) accredited Training Academy.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Outcome	% Attainment of overall agency program objectives	95%/69.00%	95%	95%
1	X	X	Output	Number prior year audit findings repeated in subsequent audit	0/One (1) in FY03	0	0

## Appropriation / Program Summary

**Appropriation / Program:** 0480P01

ADC Administration

**Funding Sources:**

HCA-DOC Inmate Care & Custody;SDC-DOC Farm;Other Funds

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Outcome	% Of Administrative Program expenditures compared to total agency expenditures		= 9.6%	10.0%
1	X	X	Output	% Of reported allegations of inmate abuse or criminal activity investigated by Internal Affairs and appropriate action taken	100%/100%	100%	100%
1			Outcome	ACA accreditation of ADC Training Academy	Accredited/ Accredited	Accredited	Accredited
1			Outcome	Number of days to enter all year-end closing entries into AASIS required for CAFR Report.		63 days	63 days
1			Outcome	Number of security and privacy policies promulgated by the State Executive Chief Information Officer implemented in required timeframe.		4	4
1			Outcome	Percent of Administrative Program staff compared to total agency positions	=<4.0%/ 3.80%	NA	NA
1			Outcome	% Of Administrative Program budget compared to total agency positions	=<10%/ 9.40%	NA	NA
1			Output	Agency IT budget as % of total agency budget	2%/1.80%	NA	NA
3	X	X	Outcome	Correctional Officer Turnover Rate	30%/35.40%	30%	25%
3			Output	# of information systems maintained by agency staff or contractual services	3/4	3	3

## Appropriation / Program Summary

Appropriation / Program: 0480P01 DOC Administration Program  
 Authorized Program Amount **28,575,810**

		Historical Data		Agency Request and Executive Recommendation					
Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,092,869	10,176,560	10,448,767	14,014,038	13,953,525	10,669,195	14,340,052	14,277,744
#Positions		237	222	222	338	338	222	338	338
Extra Help	5010001	66,501	100,000	100,000	200,000	200,000	100,000	200,000	200,000
#Extra Help		11	167	167	167	167	167	167	167
Personal Services Matching	5010003	2,132,314	2,938,813	3,327,294	4,803,521	4,786,596	3,376,617	4,876,421	4,858,992
Overtime	5010006	15,381	550,000	550,000	1,550,000	1,550,000	550,000	1,550,000	1,550,000
Operating Expenses	5020002	5,747,271	5,240,205	5,240,205	6,276,137	6,276,137	5,240,205	6,309,195	6,309,195
Travel-Conference Fees	5050009	63,431	203,535	203,535	233,575	203,535	203,535	233,575	203,535
Professional Fees and Services	5060010	718,932	724,704	724,704	1,749,704	1,749,704	724,704	1,774,704	1,774,704
Construction	5090005	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	425,358	831,494	831,494	1,059,374	1,059,374	831,494	1,059,374	1,059,374
Capital Outlay	5120011	817,037	2,250,530	0	1,320,000	1,100,000	0	1,220,000	1,000,000
Debt Service	5120019	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000
Total		17,079,094	23,515,841	21,925,999	33,706,349	33,378,871	22,195,750	34,063,321	33,733,544

Funding Sources									
Fund Balance	4000005	1,581,293	2,724,965	0	0	0	0	0	0
General Revenue	4000010	14,679,114	17,250,453	18,251,809	19,536,662	18,892,162	18,508,321	19,766,597	19,222,411
Special Revenue	4000030	364,884	14,466	14,466	14,466	14,466	14,466	14,466	14,466
Cash Fund	4000045	2,866,371	3,072,947	3,659,724	6,803,903	6,803,903	3,672,963	6,809,863	6,809,863
Merit Adjustment Fund	4000055	0	453,010	0	0	0	0	0	0
DFA Motor Vehicle Aquisition	4000184	312,397	0	0	0	0	0	0	0
Total Funding		19,804,059	23,515,841	21,925,999	26,355,031	25,710,531	22,195,750	26,590,926	26,046,740
Excess Appro/(Funding)		(2,724,965)	0	0	7,351,318	7,668,340	0	7,472,395	7,686,804
Grand Total		17,079,094	23,515,841	21,925,999	33,706,349	33,378,871	22,195,750	34,063,321	33,733,544

## Objective Summary

**Objective:** 00FV DOC Administration Program - Objective 1 - Treasury

**Description:** Provide department-wide administrative, managerial and legal support activities that assure managerial oversight and allocation of correctional resources, the attainment of agency program objectives and compliance with ADC Administrative Regulations and Directives and with state statutory and procedural requirements.

		Historical Data		Agency Request and Executive Recommendation					
Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,573,532	6,456,653	6,702,315	6,755,856	6,722,732	6,899,220	6,954,431	6,920,330
#Positions		219	196	196	197	197	196	197	197
Extra Help	5010001	63,939	0	0	0	0	0	0	0
#Extra Help		9	3	3	3	3	3	3	3
Personal Services Matching	5010003	1,948,129	2,109,590	2,252,858	2,268,703	2,260,581	2,296,909	2,313,127	2,304,766
Overtime	5010006	15,233	0	0	0	0	0	0	0
Operating Expenses	5020002	1,726,344	1,457,235	1,457,235	1,668,388	1,668,388	1,457,235	1,677,325	1,677,325
Travel-Conference Fees	5050009	34,429	0	0	840	0	0	840	0
Professional Fees and Services	5060010	211,993	316,704	316,704	316,704	316,704	316,704	316,704	316,704
Data Processing	5090012	0	0	0	480	480	0	480	480
Capital Outlay	5120011	527,251	0	0	87,500	87,500	0	0	0
Objective Total		11,100,850	10,340,182	10,729,112	11,098,471	11,056,385	10,970,068	11,262,907	11,219,605

## Objective Summary

**Objective:** 01FV DOC Administration Program - Objective 2 - Treasury

**Description:** Generalized and miscellaneous operations support the attainment of all program goals and objectives through shared accountable costs.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	166,754	2,963,355	2,963,355	6,349,375	6,321,986	2,963,355	6,449,521	6,421,314
<b>#Positions</b>		<b>7</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>110</b>	<b>0</b>	<b>110</b>	<b>110</b>
Extra Help	5010001	221	100,000	100,000	200,000	200,000	100,000	200,000	200,000
<b>#Extra Help</b>		<b>1</b>	<b>164</b>	<b>164</b>	<b>164</b>	<b>164</b>	<b>164</b>	<b>164</b>	<b>164</b>
Personal Services Matching	5010003	78,555	609,871	799,024	2,212,022	2,203,219	799,024	2,234,381	2,225,313
Overtime	5010006	148	550,000	550,000	1,550,000	1,550,000	550,000	1,550,000	1,550,000
Operating Expenses	5020002	1,744,980	1,293,422	1,293,422	1,293,422	1,293,422	1,293,422	1,293,422	1,293,422
Travel-Conference Fees	5050009	24,998	143,535	143,535	143,535	143,535	143,535	143,535	143,535
Professional Fees and Services	5060010	70,623	0	0	0	0	0	0	0
Capital Outlay	5120011	89,503	50,000	0	220,000	0	0	220,000	0
Objective Total		2,175,782	5,710,183	5,849,336	11,968,354	11,712,162	5,849,336	12,090,859	11,833,584

## Objective Summary

**Objective:** 02FV DOC Administration Program - Objective 3 - Treasury

**Description:** Through ongoing and expanded personnel development, recruitment and retention efforts, reduce the agency wide and correctional officer turnover rates through the 2007 biennium to within 10% of the national average and meet state and agency standards for training through operation of an American Correctional Association (ACA) accredited Training Academy.

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	352,583	422,789	435,166	560,876	560,876	447,874	577,354	577,354
<b>#Positions</b>		<b>10</b>	<b>11</b>	<b>11</b>	<b>16</b>	<b>16</b>	<b>11</b>	<b>16</b>	<b>16</b>
Extra Help	5010001	2,341	0	0	0	0	0	0	0
<b>#Extra Help</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	105,630	131,919	139,805	187,189	187,189	142,653	190,882	190,882
Operating Expenses	5020002	470,653	185,348	185,348	615,948	615,948	185,348	647,348	647,348
Travel-Conference Fees	5050009	4,004	0	0	4,200	0	0	4,200	0
Professional Fees and Services	5060010	349,010	315,000	315,000	340,000	340,000	315,000	365,000	365,000
Data Processing	5090012	425,358	831,494	831,494	833,894	833,894	831,494	833,894	833,894
Capital Outlay	5120011	57,787	0	0	12,500	12,500	0	0	0
Objective Total		1,767,366	1,886,550	1,906,813	2,554,607	2,550,407	1,922,369	2,618,678	2,614,478

## **Objective Summary**

**Objective:** FV00 DOC Administration Program - Objective 1-Cash

**Description:** Provide department-wide administrative, managerial and legal support activities that assure managerial oversight and allocation of correctional resources, the attainment of agency program objectives and compliance with ADC Administrative Regulations and Directives and with state statutory and procedural requirements.

<b>Historical Data</b>			<b>Agency Request and Executive Recommendation</b>					
<b>Commitment Item</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>			<b>2006-2007</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>
Operating Expenses 5020002	58,946	0	0	0	0	0	0	0
Professional Fees and Services 5060010	61,763	0	0	0	0	0	0	0
Objective Total	120,709	0	0	0	0	0	0	0



## Objective Summary

**Objective:** FV01 DOC Administration Program - Objective 2-Cash

**Description:** Generalized and miscellaneous operations support the attainment of all program goals and objectives through shared accountable costs.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	333,763	347,931	347,931	347,931	358,746	358,746	358,746
<b>#Positions</b>		<b>0</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Personal Services Matching	5010003	0	87,433	135,607	135,607	135,607	138,031	138,031	138,031
Operating Expenses	5020002	1,692,768	1,304,200	1,304,200	1,478,379	1,478,379	1,304,200	1,471,100	1,471,100
Travel-Conference Fees	5050009	0	60,000	60,000	85,000	60,000	60,000	85,000	60,000
Professional Fees and Services	5060010	25,543	93,000	93,000	1,093,000	1,093,000	93,000	1,093,000	1,093,000
Construction	5090005	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	225,000	225,000	0	225,000	225,000
Capital Outlay	5120011	136,556	2,200,530	0	500,000	500,000	0	500,000	500,000
Debt Service	5120019	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000
Objective Total		1,854,867	4,578,926	2,440,738	6,364,917	6,339,917	2,453,977	6,370,877	6,345,877

## **Objective Summary**

**Objective:** FV02 DOC Administration Program - Objective 3-Cash

**Description:** Through ongoing and expanded personnel development, recruitment and retention efforts, reduce the agency wide and correctional officer turnover rates through the 2007 biennium to within 10% of the national average and meet state and agency standards for training through operation of an American Correctional Association (ACA) accredited Training Academy.

### **Historical Data**

### **Agency Request and Executive Recommendation**

<b>Commitment Item</b>		<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>			<b>2006-2007</b>		
		<b>Actual</b>	<b>Budget</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>
Operating Expenses	5020002	53,580	1,000,000	1,000,000	1,220,000	1,220,000	1,000,000	1,220,000	1,220,000
Capital Outlay	5120011	5,940	0	0	500,000	500,000	0	500,000	500,000
Objective Total		59,520	1,000,000	1,000,000	1,720,000	1,720,000	1,000,000	1,720,000	1,720,000

## **Analysis of Budget Request**

**Appropriation / Program:** 0480P02 - DOC Inmate Care & Custody Prgm

**Funding Sources:** HCA-DOC Inmate Care & Custody;Other Funds

The Inmate Care and Custody (ICC) is primarily funded from General Revenue. This Program also includes Cash operations such as work release, non-revenue receipts, and inmate commissaries. The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants are required to pay fees of \$15 per day. These fees provide for maintenance and operational costs. Revenues generated from commissary operations offset costs of this program.

This program includes ACT 309 Contract Program that reimburses counties \$15 per day for housing inmates through contractual agreements. This Program also processes reimbursements of \$28 per day to county jails that house inmates sentenced to ADC if bed space is unavailable.

The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with some of the cost defrayed by a transfer to the Inmate Care and Custody Fund.

The Agency's FY04 Progress Report shows that the Agency met or exceeded 13 of 18 performance measures. The average increase in inmate cost per day went up 7.3% over last years cost per day of \$44.11. The target cost per day was less than or equal to 3% with the actual cost being \$47.32. Bed capacity of 13,065 fell short of the target of 13,118 due to lack of funding in FY04 delaying bed opening and construction schedules. The target of 500 inmates awaiting transfer to ADC in County Jail backup was not met with 579 being the actual number awaiting transfer.

The Base Level Request for this program includes a graduated salary increase of 3% to 1.5% each year over the FY05 salary levels, along with related Personal Services Matching costs for 3,447 Base Level Positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$320 per month.

The Base Level Request is \$172,552,858 in FY06 and \$176,101,742 in FY07.

The Total 2005 - 2007 Biennial Budget Change Level Request for the Department of Correction for the Inmate Care and Custody Program is \$33,842,472 in FY06 and \$35,540,721 in FY07. Of these amounts, the General Revenue funding request for the Change Level is \$28,329,681 in FY06 and \$28,903,061 in FY07. The Change Level Request for Cash funding is \$5,512,791 and \$6,637,660.

The following is a summary of the major components of Program 2 - Inmate Care & Custody Biennial Request with amounts for each fiscal year of the biennium respectively separated into two (2)

funding categories:

1. Incremental Increases for General Revenue:

- Various Units new Position's Salary and Personal Service Match of \$2,685,399 and \$2,758,009
- Upgrades for Discipline Hearing Officers from grade 18 to grade 19 for \$4,074 and \$4,196
- Various Units Operating Expense of \$3,158,336 and \$2,979,978
- Labor Market Entry Rate for Correctional Officers of \$7,533,547 and \$7,759,553
- 200 Women's Bed Expansion at Wrightsville of \$2,578,701 and \$3,247,948
- Malvern Phase III 316 new beds for \$5,089,123 and \$5,044,517
- New and Replacement of Equipment for \$1,600,000 each year
- Warehouse - purchase food for the inmates for \$500,000 each year
- County Jail Reimbursement cost based on inmate population projections of \$4,903,912 and \$4,693,443

2. Incremental Increases for Cash Fund:

- Benton Work Release Program - Operation and Capital Outlay of \$2,104,907 and \$2,055,184
- Wrightsville 200 Women's Bed Expansion for supplies in the Pen Stores for \$743,529 and \$1,363,893
- Malvern Phase III 316 new beds for supplies in the Pen Stores for \$674,200 and \$1,343,000
- Supplies for all other units Pen Store Operation Expenses of \$250,000 each year
- Non Revenue Receipts Funding for Construction of \$1,740,155 and \$1,624,783

The Executive Recommendation provides for Base Level and additional General Revenue funding of \$18,933,211 in FY06 and \$19,045,063 in FY07. Further the Executive Recommendation for the Cash Funds was Agency Request. The following provides detail of the Executive Recommendation:

1. Incremental Increases for General Revenue:

- Various Units new Position's Salary and Personal Service Match of \$2,685,399 and \$2,758,009
- Various Units Operating Expense of \$3,158,336 and \$2,979,978
- Labor Market Entry Rate for Correctional Officers of \$3,045,063 each year
- 200 Women's Bed Expansion at Wrightsville of \$2,578,701 and \$3,247,948
- Malvern Phase III 316 new beds for \$5,089,123 and \$5,044,517
- New and Replacement of Equipment for \$1,600,000 each year
- Warehouse - purchase food for the inmates for \$500,000 each year
- County Jail Reimbursement cost based on inmate population projections of \$4,903,912 and \$4,693,443

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- Benton Work Release Program - Operation and Capital Outlay of \$2,104,907 and \$2,055,184
- Wrightsville 200 Women's Bed Expansion for supplies in the Pen Stores for \$743,529 and \$1,363,893
- Malvern Phase III 316 new beds for supplies in the Pen Stores for \$674,200 and \$1,343,000
- Supplies for all other units Pen Store Operation Expenses of \$250,000 each year
- Non Revenue Receipts Funding for Construction of \$1,740,155 and \$1,624,783

The Executive Recommendation provides for 73 new positions and 132 restoration positions.

## Appropriation / Program Summary

**Appropriation / Program:** 0480P02 Inmate Care and Custody (ICC)

**Funding Sources:** HCA-DOC Inmate Care & Custody;Other Funds

Program Description	Program Goals	
The Arkansas Department of Correction has exclusive jurisdiction over the care, custody, control, management, administration, and supervision of all persons and offenders committed to, or in the custody of, the state penitentiary. The ICC program includes all security classifications of institutions, regional jails, boot camp, work release, and pre-release facilities. Operations include administrative and executive staff as well as security staff involved in direct supervision of state inmates. Responsibilities include emergency preparedness, inmate classification, construction and maintenance, transportation, warehouse and food services.	1	To provide for the cost efficient, safe, secure and humane incarceration of inmates sentenced by the courts.
	2	To maximize inmate participation in work opportunities.

Objective Code	Name	Description
10FV	Objective 1	Administer, staff and operate all security classifications of institutions/units in compliance with all state statutory requirements, administrative regulations, directives, and unit policies required to meet ACA accreditation or required standards.
11FV	Objective 2	Institutional Support Services functions enhance prison operations and appropriate classification and population management of inmates' results in the efficient utilization of available bed capacity and meets institutional labor requirements (including farm and industry programs).
12FV	Objective 4	Obtain and provide reimbursement to city and county jails for housing state inmates as a result of a contractual agreement or in the event that upon commitment to the Arkansas Department of Correction bed space is insufficient.
FV10	Objective 1	Administer, staff and operate all security classifications of institutions/units in compliance with all state statutory requirements, administrative regulations, directives, and unit policies required to meet ACA accreditation or required standards.
FV11	Objective 3	Commissary operations provide inmates the opportunity to purchase approved health, grooming and food items in accordance with applicable laws and policy directives.
FV12	Objective 1	Provide inmate work opportunities that benefit both inmates and communities through employment and community service in a manner that facilitates maximum participation and promotes successful completion prior to release from confinement.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Outcome	All state-owned institutions are accredited by the ACA (excludes only Texarkana and NW AR Work Release Centers)	Accredited/ Accredited	Accredited	Accredited
1	X	X	Outcome	Regional jail operations meet state standards	Pass/Pass	Pass	Pass

## Appropriation / Program Summary

**Appropriation / Program:** 0480P02 Inmate Care and Custody (ICC)

**Funding Sources:** HCA-DOC Inmate Care & Custody;Other Funds

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Efficiency	Average increase in inmate cost per day	<=3%/\$47.32	= 3% (\$46.99 est.)	= 3% (\$48.40 est.)
1			Output	Ratio of inmates to correctional officers positions (security posts)	6.1 - 1/5.9 - 1.0	6.1 - 1	6.1 - 1
1			Output	Ratio of inmates to correctional officers (filled security post positions)	6.8 - 1/6.9 - 1.0	6.6 - 1	6.5 - 1
1			Outcome	% Of positive random screenings for illegal substances	<=5%/5%	= 5%	= 5%
1			Outcome	Institutional rated bed capacity (including jail beds, temporary beds and beds under construction)	13,118/13,065	13,698	13,698
1			Outcome	Inmate Population Growth Projections as of July 1 (beginning of each fiscal year)	13,606/13,386	14,965	15,445
1			Output	% Of inmate population growth projection attributable to Act 1326 of 1995	16.50%/22%	26.1% (3,907)	28.1% (4,351)
1			Effort	% Workable inmates assigned to institutional work programs (ACI and Farm Programs included)	100%/99%	100%	100%
1			Effort	% Utilization of available work release slots	98%/94%	98%	98%
1	X	X	Outcome	% Of Work Release Program costs reimbursed by collection of fees from inmates	20%/28%	20%	20%
1			Efficiency	Projected value of regional maintenance program to public agencies	\$1,841,746/ \$1,668,992	2,082,868	2,124,525
2			Outcome	% Utilization of available beds, with provisions for classification/movement	98%/98.20%	98%	98%
2			Outcome	Average % cost savings realized on construction and renovation projects utilizing inmate labor	40%/40%	40%	40%
2	X	X	Effort	Number of escape events from secure facilities.		0	0
3			Outcome	Expected % gross profit for each commissary operation	17% - 19%/17%	15%-19%	15%-19%

## **Appropriation / Program Summary**

**Appropriation / Program:** 0480P02 Inmate Care and Custody (ICC)

**Funding Sources:** HCA-DOC Inmate Care & Custody;Other Funds

### **Performance Measures**

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
4			Outcome	Average number of inmates assigned to Act 309 program (maximum of 280)	275/277	275	275
4			Efficiency	Average County Jail backup (number of inmates awaiting transfer to ADC)	500/579	925	500

## Appropriation / Program Summary

Appropriation / Program: 0480P02 DOC Inmate Care & Custody Prgm  
**Authorized Program Amount 181,249,036**

		Historical Data		Agency Request and Executive Recommendation					
Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	85,154,218	92,237,793	96,613,391	107,858,235	104,746,118	99,512,341	111,095,879	107,799,047
<b>#Positions</b>		<b>3,354</b>	<b>3,444</b>	<b>3,447</b>	<b>3,652</b>	<b>3,652</b>	<b>3,447</b>	<b>3,652</b>	<b>3,652</b>
Extra Help	5010001	5,417	0	0	0	0	0	0	0
<b>#Extra Help</b>		<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	27,344,610	31,698,740	34,897,210	38,205,508	37,507,769	35,547,144	38,931,369	38,192,218
Overtime	5010006	678,814	0	0	0	0	0	0	0
Operating Expenses	5020002	37,031,831	36,702,665	36,702,665	45,482,224	45,482,224	36,702,665	47,019,526	47,019,526
Travel-Conference Fees	5050009	55,045	0	0	73,382	73,382	0	75,776	75,776
Professional Fees and Services	5060010	17,045	0	0	1,154,100	1,154,100	0	1,510,239	1,510,239
Construction	5090005	0	0	0	500,000	500,000	0	500,000	500,000
Data Processing	5090012	0	0	0	41,148	41,148	0	46,084	46,084
Refund/Reimbursements	5110014	9,077,178	2,806,592	4,339,592	9,243,504	9,243,504	4,339,592	9,033,035	9,033,035
Capital Outlay	5120011	1,146,972	0	0	3,837,229	3,837,229	0	3,430,555	3,430,555
Jail Contracts	5900047	4,604,914	1,533,000	0	0	0	0	0	0
<b>Total</b>		<b>165,116,044</b>	<b>164,978,790</b>	<b>172,552,858</b>	<b>206,395,330</b>	<b>202,585,474</b>	<b>176,101,742</b>	<b>211,642,463</b>	<b>207,606,480</b>

Funding Sources									
Fund Balance	4000005	2,850,869	3,396,228	1,762,000	1,762,000	1,762,000	0	0	0
General Revenue	4000010	155,862,348	149,138,540	160,431,173	188,760,854	184,268,296	163,961,522	192,864,583	187,700,028
Cash Fund	4000045	9,799,055	10,449,119	10,359,685	15,872,476	15,872,476	12,140,220	18,777,880	18,777,880
Merit Adjustment Fund	4000055	0	3,756,903	0	0	0	0	0	0
<b>Total Funding</b>		<b>168,512,272</b>	<b>166,740,790</b>	<b>172,552,858</b>	<b>206,395,330</b>	<b>201,902,772</b>	<b>176,101,742</b>	<b>211,642,463</b>	<b>206,477,908</b>
Excess Appro/(Funding)		(3,396,228)	(1,762,000)	0	0	682,702	0	0	1,128,572
<b>Grand Total</b>		<b>165,116,044</b>	<b>164,978,790</b>	<b>172,552,858</b>	<b>206,395,330</b>	<b>202,585,474</b>	<b>176,101,742</b>	<b>211,642,463</b>	<b>207,606,480</b>

Special Language provides for Carry Forward in the County Jail Reimbursement Fund. The actual amount carried forward into FY05 was \$4,122,822.



## Objective Summary

**Objective:** 10FV DOC Inmate Care & Custody Program - Objective 1 - Treasury

**Description:** Administer, staff and operate all security classifications of institutions/units in compliance with all state statutory requirements, administrative regulations, directives, and unit policies required to meet ACA accreditation or required standards.

		Historical Data		Agency Request and Executive Recommendation					
Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	84,825,319	91,418,587	95,759,150	106,983,173	103,871,056	98,632,303	110,194,396	106,897,564
#Positions		3,341	3,408	3,411	3,615	3,615	3,411	3,615	3,615
Extra Help	5010001	5,293	0	0	0	0	0	0	0
#Extra Help		2	1	1	1	1	1	1	1
Personal Services Matching	5010003	27,241,677	31,393,579	34,567,447	37,867,237	37,169,498	35,211,597	38,587,174	37,848,023
Overtime	5010006	678,808	0	0	0	0	0	0	0
Operating Expenses	5020002	28,819,202	27,225,959	27,225,959	32,863,763	32,863,763	27,225,959	33,232,437	33,232,437
Travel-Conference Fees	5050009	48,571	0	0	70,862	70,862	0	73,256	73,256
Professional Fees and Services	5060010	9,101	0	0	1,154,100	1,154,100	0	1,510,239	1,510,239
Data Processing	5090012	0	0	0	39,708	39,708	0	44,644	44,644
Capital Outlay	5120011	646,001	0	0	1,999,482	1,999,482	0	1,637,331	1,637,331
Objective Total		142,273,972	150,038,125	157,552,556	180,978,325	177,168,469	161,069,859	185,279,477	181,243,494

## Objective Summary

**Objective:** 11FV DOC Inmate Care & Custody Program - Objective 2 - Treasury

**Description:** Institutional Support Services functions enhance prison operations and appropriate classification and population management of inmates' results in the efficient utilization of available bed capacity and meets institutional labor requirements (including farm and industry programs).

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	328,899	340,787	353,375	353,375	353,375	364,031	364,031	364,031
<b>#Positions</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Extra Help 5010001	124	0	0	0	0	0	0	0
<b>#Extra Help</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	102,933	120,435	129,146	129,146	129,146	131,536	131,536	131,536
Overtime 5010006	6	0	0	0	0	0	0	0
Operating Expenses 5020002	14,355	0	0	0	0	0	0	0
Travel-Conference Fees 5050009	2,159	0	0	0	0	0	0	0
Objective Total	448,476	461,222	482,521	482,521	482,521	495,567	495,567	495,567

## **Objective Summary**

**Objective:** 12FV DOC Inmate Care & Custody Program - Objective 4 - Treasury

**Description:** Obtain and provide reimbursement to city and county jails for housing state inmates as a result of a contractual agreement or in the event that upon commitment to the Arkansas Department of Correction bed space is insufficient.

		<b>Historical Data</b>		<b>Agency Request and Executive Recommendation</b>					
<b>Commitment Item</b>		<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>			<b>2006-2007</b>		
		<b>Actual</b>	<b>Budget</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>
Refund/Reimbursements	5110014	9,077,178	2,806,592	4,339,592	9,243,504	9,243,504	4,339,592	9,033,035	9,033,035
Jail Contracts	5900047	4,604,914	1,533,000	0	0	0	0	0	0
Objective Total		13,682,092	4,339,592	4,339,592	9,243,504	9,243,504	4,339,592	9,033,035	9,033,035

## Objective Summary

**Objective:** FV10 DOC Inmate Care & Custody Program - Objective 1-Cash

**Description:** Administer, staff and operate all security classifications of institutions/units in compliance with all state statutory requirements, administrative regulations, directives, and unit policies required to meet ACA accreditation or required standards.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,144,990	352,300	352,300	2,092,455	2,092,455	352,300	1,977,083	1,977,083
Travel-Conference Fees	5050009	157	0	0	0	0	0	0	0
Professional Fees and Services	5060010	7,718	0	0	0	0	0	0	0
Construction	5090005	0	0	0	500,000	500,000	0	500,000	500,000
Capital Outlay	5120011	311,247	0	0	1,580,247	1,580,247	0	1,543,224	1,543,224
Objective Total		1,464,112	352,300	352,300	4,172,702	4,172,702	352,300	4,020,307	4,020,307

## Objective Summary

**Objective:** FV11 DOC Inmate Care & Custody Program - Objective 3-Cash

**Description:** Commissary operations provide inmates the opportunity to purchase approved health, grooming and food items in accordance with applicable laws and policy directives.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	478,419	500,866	521,687	521,687	516,007	537,452	537,452
<b>#Positions</b>	<b>0</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>24</b>
Personal Services Matching 5010003	0	184,726	200,617	209,125	209,125	204,011	212,659	212,659
Operating Expenses 5020002	5,972,688	7,583,989	7,583,989	8,972,389	8,972,389	7,583,989	10,261,589	10,261,589
Capital Outlay 5120011	0	0	0	250,000	250,000	0	250,000	250,000
Objective Total	5,972,688	8,247,134	8,285,472	9,953,201	9,953,201	8,304,007	11,261,700	11,261,700

## Objective Summary

**Objective:** FV12 DOC Inmate Care & Custody Program - Goal 2 Objective 1 -Cash

**Description:** Provide inmate work opportunities that benefit both inmates and communities through employment and community service in a manner that facilitates maximum participation and promotes successful completion prior to release from confinement.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,080,596	1,540,417	1,540,417	1,553,617	1,553,617	1,540,417	1,548,417	1,548,417
Travel-Conference Fees	5050009	4,158	0	0	2,520	2,520	0	2,520	2,520
Professional Fees and Services	5060010	226	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	1,440	1,440	0	1,440	1,440
Capital Outlay	5120011	189,724	0	0	7,500	7,500	0	0	0
Objective Total		1,274,704	1,540,417	1,540,417	1,565,077	1,565,077	1,540,417	1,552,377	1,552,377

## **Analysis of Budget Request**

**Appropriation / Program:** 0480P03 - DOC Health & Correctional Prgrm

**Funding Sources:** HCA-DOC Inmate Care & Custody;FDC-Federal;Other Funds

ADC Health and Correctional Programs is required to meet standards for medical, mental health, dental and treatment services as constitutionally mandated, statutorily required, and as may be authorized to provide for the needs of inmates sentenced to prison. Sex Offender Risk Assessment is included in this program although all persons assessed are not in the custody of ADC. ADC contracts with a private provider for all medical and dental care services. Mental Health Services and various structured counseling and educational programs are provided to inmates upon intake and evaluation and appropriate classification and assignment. Services and programs include: psychological treatment, specialized programs for intensive treatment, crisis intervention services, manage self-injurious behavior, and 90-day residential treatment program based on cognitive behavioral, relapse prevention philosophy for treatment of chemical dependency, a nine to twelve month comprehensive substance abuse treatment program using a modified therapeutic community residential program approach, a voluntary, one-year residential program (Reduction of Sexual Victimization Program - RSVP) for treatment of inmates who have deviant sexual behaviors, and assist sex offenders in understanding, managing, and controlling sexually deviant behavior, and religious and worship services and materials, fellowship counseling and crisis services.

The Agency's FY04 Final Progress Report shows that the Agency met or exceeded most of their performance measures. The following performance measures were not met: In the Mental Health Services objectives, the Agency had a target of 75% of inmates enrolled in programs would complete them. Only 57% of the inmates completed the programs they enrolled in and had a target of 700 inmates would receive a GED, where the actual number was 675.

The Base Level Request for this program includes a graduated salary increase of 3% to 1.5% each year over the FY05 salary levels, along with related Personal Services Matching costs for 217 Base Level Positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$320 per month.

The Base Level Request is \$45,816,060 in FY06 and \$46,089,980 in FY07.

The 2005 - 2007 Biennial Budget Change Level request for the Department of Correction totals \$6,104,412 in FY06 and \$8,136,287 in FY07. Of this amount, the General Revenue request is \$5,884,412 in FY06 and \$7,916,287 in FY07.

The following is a summary of the major components of the Health and Correctional Program Biennial Request with amounts for each fiscal year of the biennium respectively separated into three (3) funding categories:

1. Incremental Increases in General Revenue.
  - Mental Health Services - \$2,133,520 and \$2,127,960

- Medical Services Contract rate increase - \$2,760,540 and \$4,823,902
- Sex Offender Screening and Risk Assessment - \$381,883 and \$360,216
- Substance Abuse Treatment - \$461,047 and \$456,113
- Labor Market Entry Rate on correctional officers - \$22,422 and \$23,096
- Health Equipment, Medical Equipment, Construction and Maintenance Equipment - \$125,000 each year

2. Incremental Increases in Federal Revenue.

- Professional Fees and Services for education - \$100,000 each year

3. Incremental Increases in Cash Funding

- Medical Equipment - \$120,000 each year

The Executive Recommendation provides for Base Level and additional General Revenue funding of \$5,104,729 in FY06 and \$7,768,191 in FY07. The Executive recommends the Agency Request for Federal and Cash Appropriation. The following provides a detail breakdown of the Executive General Revenue Recommendation:

	FY06		FY07	
	<u>Appropriation</u>	<u>Funding</u>	<u>Appropriation</u>	<u>Funding</u>
Mental Health	\$ 2,133,520	\$1,600,140	\$ 2,127,960	\$2,127,960
Medical Contract Increase	\$ 2,760,540	\$2,760,540	\$ 4,823,902	\$4,823,902
Sex Offender Screening	\$ 381,883	\$ 286,412	\$ 360,216	\$ 360,216
Substance Abuse Treatment	\$ 461,047	\$ 345,785	\$ 456,113	\$ 456,113
Labor Market Entry Rate	\$ -	\$ -	\$ -	\$ -
Capital Equipment	\$ 125,000	\$ 111,852	\$ 125,000	\$ -
TOTAL GENERAL REVENUE	\$ 5,861,990	\$5,104,729	\$ 7,893,191	\$7,768,191



## Appropriation / Program Summary

**Appropriation / Program:** 0480P03 Health and Correctional Programs  
**Funding Sources:** HCA-DOC Inmate Care & Custody;FDC-Federal;Other Funds

Program Description	Program Goals	
ADC meets standards for medical, mental health, dental and treatment services as constitutionally mandated, statutorily required, and as may be authorized to provide for needs of inmates sentenced to prison. Sex Offender Risk Assessment is included in this program although all persons assessed are not in the custody of ADC.	1	Provide relevant, effective and cost-efficient health and correctional programs.
	2	To conduct assessments of sex offenders as statutorily required by ACA §12-12-901 through 920 and §12-12-1301 through 1303.

Objective Code	Name	Description
20FV	Objective 1	Health Care services are available for all inmates and are needs based, appropriately licensed or accredited, reviewed for quality, evaluated as to process and outcome, and cost controlled.
21FV	Objective 2	Mental Health services, including crisis intervention services, are provided to all inmates through appropriate evaluation, diagnosis, and treatment.
22FV	Objective 1	Assess the risk to the public posed by sex offenders or sexually violent predators who are required to register in accordance with the Sex and Child Offender Registration Act (ACA §12-12-901, et seq.).
FV20	Objective 1	Health Care services are available for all inmates and are needs based, appropriately licensed or accredited, reviewed for quality, evaluated as to process and outcome, and cost controlled.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Outcome	Overall # of Sex Offender Assessments Completed	2,750/2,973	3,500	5,000
1	X	X	Outcome	% Of total projected assessments completed	100%/56%	75%	90%
1	X	X	Outcome	% of ACA Health Care Standards are met		98%	98%
1			Outcome	Health care facilities accredited by ACA	Accredited/ Accredited	Accredited	Accredited
1			Outcome	% Of medical grievances appealed to ADC found without merit	95%/86.60%	95%	95%
1	X	X	Efficiency	Average cost per inmate for Medical, Mental Health Care, and Dental	<=6%/5.9%	= 6% \$2,857 est.	= 6% \$3,028 est.
1	X	X	Outcome	Recidivism rate	<=52.1%/ 51.80%	= 52.1%	= 52.1%

## Appropriation / Program Summary

**Appropriation / Program:** 0480P03 Health and Correctional Programs  
**Funding Sources:** HCA-DOC Inmate Care & Custody;FDC-Federal;Other Funds

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Outcome	Recidivism rate for inmates receiving at least 1 program	3% less than Average/55.8	3% less than Average	3% less than Average
1			Outcome	% Of target inmate population receiving priority need program prior to PE/TE date		2 - 100%	2 - 100%
2			Outcome	% Of inmates completing programs in which they are enrolled - Long-term (LT) programs > 6 months	75%/57%	LT – 65%	LT – 65%
2			Outcome	% Of inmates completing programs in which they are enrolled - Short-term (ST) programs < 6 months	75%/57%	ST – 80%	ST – 80%
2			Outcome	# of eligible inmates on waiting lists and average length of time an eligible inmate is on a waiting list for a treatment program	<150% of Capacity <90 days/Capacity Avg 120 days	<150% of capacity < 90 days	<150% of capacity < 90 days
2			Effort	Ratio of residential program counselors to inmates: 1)Programs for Mentally Ill	1 - 17/1 - 16	1 to 8	1 to 8
2			Effort	Ratio of residential program counselors to inmates: 1) Treatment Programs	1 - 17/1 - 16	1 - 15	1 - 15
2			Effort	Ratio of faith-based representatives to inmate population	1 - 750/ 1 - 413	1 - 500	1 - 500
2			Effort	# Of faith-based, life-skills programs implemented in various institutions	4/12	12	12
2			Output	Standardized testing of inmates will reflect at least one-half month academic progress for each month enrolled in school	1 - 1/1.6 - 1	.5 - 1	.5 - 1
2	X	X	Outcome	Number of inmates receiving GEDs	700/675	650	700
2			Output	% Utilization of available vocational training slots	80%/93%	80%	80%
2			Outcome	Number of inmates receiving vocational training certificates.	100/174	125	125
2			Outcome	% Utilization of available college course slots	100%/237%	100%	100%

## **Appropriation / Program Summary**

**Appropriation / Program:** 0480P03 Health and Correctional Programs  
**Funding Sources:** HCA-DOC Inmate Care & Custody;FDC-Federal;Other Funds

### **Performance Measures**

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
2			Output	# Inmates enrolled in college courses (contingent on availability of federal funding)	65/178	75	80
2			Outcome	% Of target inmate population receiving priority need Mental Health Program prior to PE/TE date.	100%/70%	NA	NA

## Appropriation / Program Summary

Appropriation / Program: 0480P03 DOC Health & Correctional Prgm  
 Authorized Program Amount **47,639,285**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,002,453	7,443,981	7,684,039	9,410,759	9,389,826	7,908,096	9,685,587	9,664,025
#Positions		202	217	217	273	273	217	273	273
Personal Services Matching	5010003	1,837,231	2,385,674	2,539,726	3,137,817	3,133,126	2,589,589	3,198,970	3,194,138
Overtime	5010006	41,592	0	0	0	0	0	0	0
Operating Expenses	5020002	425,196	343,991	343,991	845,652	845,652	343,991	812,704	812,704
Travel-Conference Fees	5050009	18,462	18,500	18,500	40,750	40,750	18,500	47,350	47,350
Professional Fees and Services	5060010	33,508,221	35,229,804	35,229,804	38,096,344	38,096,344	35,229,804	40,162,256	40,162,256
Capital Outlay	5120011	32,679	0	0	389,150	389,150	0	319,400	319,400
Miscellaneous Character 46	5900046	70,448	0	0	0	0	0	0	0
Total		41,936,282	45,421,950	45,816,060	51,920,472	51,894,848	46,089,980	54,226,267	54,199,873

Funding Sources									
General Revenue	4000010	40,366,071	42,947,954	44,418,272	50,302,684	49,523,001	44,677,157	52,593,444	52,445,348
Federal Revenue	4000020	552,586	800,947	822,951	922,951	922,951	837,986	937,986	937,986
Cash Fund	4000045	1,017,625	574,837	574,837	694,837	694,837	574,837	694,837	694,837
Merit Adjustment Fund	4000055	0	1,098,212	0	0	0	0	0	0
Total Funding		41,936,282	45,421,950	45,816,060	51,920,472	51,140,789	46,089,980	54,226,267	54,078,171
Excess Appro/(Funding)		0	0	0	0	754,059	0	0	121,702
Grand Total		41,936,282	45,421,950	45,816,060	51,920,472	51,894,848	46,089,980	54,226,267	54,199,873

## Objective Summary

**Objective:** 20FV DOC Health & Correctional Program - Objective 1 - Treasury

**Description:** Health Care services are available for all inmates and are needs based, appropriately licensed or accredited, reviewed for quality, evaluated as to process and outcome, and cost controlled.

		Historical Data		Agency Request and Executive Recommendation					
Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,061,973	1,128,056	1,173,965	1,220,820	1,202,503	1,208,923	1,257,184	1,238,317
<b>#Positions</b>		<b>35</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>38</b>	<b>39</b>	<b>39</b>
Personal Services Matching	5010003	332,062	381,507	409,125	423,469	419,363	416,960	431,620	427,391
Overtime	5010006	39,408	0	0	0	0	0	0	0
Operating Expenses	5020002	155,599	110,660	110,660	110,660	110,660	110,660	110,660	110,660
Travel-Conference Fees	5050009	402	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees and Services	5060010	33,258,279	34,976,404	34,976,404	37,736,944	37,736,944	34,976,404	39,800,306	39,800,306
Capital Outlay	5120011	0	0	0	125,000	125,000	0	125,000	125,000
Objective Total		34,847,723	36,597,627	36,671,154	39,617,893	39,595,470	36,713,947	41,725,770	41,702,674

## Objective Summary

**Objective:** 21FV DOC Health & Correctional Program - Objective 2-Treasury

**Description:** Mental Health services, including crisis intervention services, are provided to all inmates through appropriate evaluation, diagnosis, and treatment.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,940,480	6,315,925	6,510,074	8,189,939	8,187,323	6,699,173	8,428,403	8,425,708
<b>#Positions</b>		<b>166</b>	<b>179</b>	<b>179</b>	<b>234</b>	<b>234</b>	<b>179</b>	<b>234</b>	<b>234</b>
Personal Services Matching	5010003	1,505,169	2,004,167	2,130,601	2,714,348	2,713,763	2,172,629	2,767,350	2,766,747
Overtime	5010006	2,184	0	0	0	0	0	0	0
Operating Expenses	5020002	269,597	233,331	233,331	714,992	714,992	233,331	682,044	682,044
Travel-Conference Fees	5050009	18,060	17,500	17,500	39,750	39,750	17,500	46,350	46,350
Professional Fees and Services	5060010	249,942	253,400	253,400	359,400	359,400	253,400	361,950	361,950
Capital Outlay	5120011	32,679	0	0	164,150	164,150	0	94,400	94,400
Miscellaneous Character 46	5900046	70,448	0	0	0	0	0	0	0
Objective Total		7,088,559	8,824,323	9,144,906	12,182,579	12,179,378	9,376,033	12,380,497	12,377,199

## **Objective Summary**

**Objective:** FV20 DOC Health & Correctional Program - Objective 1-Cash

**Description:** Health Care services are available for all inmates and are needs based, appropriately licensed or accredited, reviewed for quality, evaluated as to process and outcome, and cost controlled.

Historical Data				Agency Request and Executive Recommendation				
Commitment Item	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	20,000	20,000	0	20,000	20,000
Capital Outlay 5120011	0	0	0	100,000	100,000	0	100,000	100,000
Objective Total	0	0	0	120,000	120,000	0	120,000	120,000

## **Analysis of Budget Request**

**Appropriation / Program:** 0480P04 - DOC Farm Program

**Funding Sources:** SDC-DOC Farm Operations

The Department of Correction's Farm Program is funded from Special Revenue derived from the sale of marketable agricultural and livestock products. Currently, revenues generated from sales are pledged against bond indebtedness of the Agency for construction of prison facilities at Newport. These revenues are returned to the Agency as replacement receipts appropriated each biennium from the General Improvement Fund. In addition, the farm provides vegetables, meat, milk, and eggs for consumption by the inmate population. State funding for inmate consumables is provided in the form of a loan from the Budget Stabilization Trust Fund not to exceed \$3.6 million annually. This loan may be forgiven at the end of the year upon certification of an equivalent amount of farm-produced food consumed by inmates.

The Agency met or exceeded all three key performance measures in its' FY04 Final Progress Report.

The Base Level for this program includes a graduated salary increase of 3.0% to 1.5% each year over the FY05 salary levels, along with related Personal Services Matching costs for 55 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State contribution of \$320 per month per budgeted employee.

The Base Level Request is for \$9,597,780 in FY06 and \$9,668,542 in FY07.

The Agency Change Level request the following for the Farm Operations Program:

- Salary and Personal Service Matching request of \$35,476 in FY06 and \$36,424 in FY07 for one additional security position for the expansion of the Cold Storage Facility at the Varner Unit and labor market entry rate increase for correctional officers for recruitment and retention efforts.
- Operating Expenses request of \$7,200 each year of the biennium for computers and software.
- Capital Outlay in the amount of \$1,303,000 in FY06 and \$1,131,000 in FY07 for the expansion and re-equipping of tractors, planters, cotton picker, rice combine, grain carts, power units for irrigation systems, land plane, seed wagon, mower, bailer, vehicles, and construction of a new shop/office at the Wrightsville Unit. This request is necessary to maintain and meet the increased levels of consumption for an expanding inmate population.

The Executive Recommendation provides for Agency Request and further reduces Base Level in Travel and Conference Fees by \$16,000 each year and Professional Fees and Services by \$34,618 in FY06 and \$35,542 in FY07.



## Appropriation / Program Summary

**Appropriation / Program:** 0480P04 ADC Farm

**Funding Sources:** SDC-DOC Farm Operations

Program Description	Program Goals
The agriculture and livestock program provides the majority of vegetables, meat, milk and eggs consumed by the ADC inmate population and generates operating revenue from marketable agricultural products.	1 Administer and coordinate agriculture and livestock operations that provide useful and meaningful work for inmates, produce sufficient cost-efficient food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock.

Objective Code	Name	Description
30FV	Objective 1	Administrative and managerial activities support achievement of program objectives as evidenced by monthly/annual farm report, income statement, and balance sheet.
31FV	Objective 2	Effective utilization of inmate labor; produce and process vegetable crops, livestock, dairy milk, eggs and other products for inmate consumption.
32FV	Objective 3	Effective utilization of inmate labor field crops and livestock yields are comparable to private operations, and excess products are marketed utilizing permissible techniques that generate income from sales sufficient to cover expenses of all farm operations, maximizing production of food for inmate consumption and supports annual operation of the Inmate Care and Custody program.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Output	# Of inmate jobs provided	449/449	449	449
1	X	X	Outcome	% Of operational costs generated by overall sales from farm operations, federal farm subsidies, and allowable state consumption reimbursement	100%/100%	100%	100%
2	X	X	Outcome	Value of food produced and consumed by inmates	Minimum of \$3,600,000/ \$5 Million	Minimum of \$3,600,000	Minimum of \$3,600,000
3			Effort	Field crop and livestock yield comparison to local private operations	Equal or exceeds/ Equal or Exceeds	Equal or exceeds	Equal or exceeds

## Appropriation / Program Summary

Appropriation / Program: 0480P04 DOC Farm Program  
 Authorized Program Amount **10,271,290**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,811,072	1,880,673	1,944,930	1,970,772	1,970,072	2,002,727	2,029,344	2,028,623
<b>#Positions</b>		<b>54</b>	<b>55</b>	<b>55</b>	<b>56</b>	<b>56</b>	<b>55</b>	<b>56</b>	<b>56</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	520,322	609,098	648,384	658,018	657,860	661,349	671,156	670,995
Operating Expenses	5020002	6,328,283	6,522,722	6,822,722	6,829,922	6,829,922	6,822,722	6,829,922	6,829,922
Travel-Conference Fees	5050009	2,114	21,750	21,750	21,750	5,750	21,750	21,750	5,750
Professional Fees and Services	5060010	106,206	149,994	149,994	149,994	115,376	149,994	149,994	114,452
Capital Outlay	5120011	747,070	732,500	0	1,303,500	1,303,500	0	1,131,000	1,131,000
Purchase Cattle /Meat	5900047	0	300,000	0	0	0	0	0	0
<b>Total</b>		<b>9,515,067</b>	<b>10,226,737</b>	<b>9,597,780</b>	<b>10,943,956</b>	<b>10,892,480</b>	<b>9,668,542</b>	<b>10,843,166</b>	<b>10,790,742</b>

Funding Sources									
Fund Balance	4000005	225,354	951,471	779,337	779,337	779,337	0	0	0
Special Revenue	4000030	6,641,184	6,454,603	5,218,443	6,564,619	6,513,143	6,068,542	7,243,166	7,190,742
Budget Stabilization Trust	4000130	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
<b>Total Funding</b>		<b>10,466,538</b>	<b>11,006,074</b>	<b>9,597,780</b>	<b>10,943,956</b>	<b>10,892,480</b>	<b>9,668,542</b>	<b>10,843,166</b>	<b>10,790,742</b>
Excess Appro/(Funding)		(951,471)	(779,337)	0	0	0	0	0	0
<b>Grand Total</b>		<b>9,515,067</b>	<b>10,226,737</b>	<b>9,597,780</b>	<b>10,943,956</b>	<b>10,892,480</b>	<b>9,668,542</b>	<b>10,843,166</b>	<b>10,790,742</b>

## Objective Summary

**Objective:** 30FV DOC Farm Program - Objective 1-Treasury

**Description:** Administrative and managerial activities support achievement of program objectives as evidenced by monthly/annual farm report, income statement, and balance sheet.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	882,342	905,110	934,981	935,681	934,981	962,556	963,277	962,556
<b>#Positions</b>		<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	251,959	292,066	310,595	310,753	310,595	316,780	316,941	316,780
Operating Expenses	5020002	3,091,027	1,563,370	1,563,370	1,570,570	1,570,570	1,563,370	1,570,570	1,570,570
Travel-Conference Fees	5050009	1,974	21,550	21,550	21,550	5,550	21,550	21,550	5,550
Professional Fees and Services	5060010	9,375	132,740	132,740	132,740	98,122	132,740	132,740	97,198
Capital Outlay	5120011	386,038	527,500	0	1,221,000	1,221,000	0	956,000	956,000
Objective Total		4,622,715	3,452,336	2,973,236	4,202,294	4,150,818	3,006,996	3,971,078	3,918,654

## Objective Summary

**Objective:** 31FV DOC Farm Program - Objective 2-Treasury

**Description:** Effective utilization of inmate labor; produce and process vegetable crops, livestock, dairy milk, eggs and other products for inmate consumption.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	642,264	683,054	707,707	732,849	732,849	728,912	754,808	754,808
<b>#Positions</b>		<b>20</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>22</b>
Personal Services Matching	5010003	186,992	224,347	239,308	248,784	248,784	244,064	253,710	253,710
Operating Expenses	5020002	2,361,437	2,655,889	2,955,889	2,955,889	2,955,889	2,955,889	2,955,889	2,955,889
Travel-Conference Fees	5050009	140	200	200	200	200	200	200	200
Professional Fees and Services	5060010	20,032	17,154	17,154	17,154	17,154	17,154	17,154	17,154
Capital Outlay	5120011	63,744	205,000	0	82,500	82,500	0	175,000	175,000
Purchase Cattle /Meat	5900047	0	300,000	0	0	0	0	0	0
Objective Total		3,274,609	4,085,644	3,920,258	4,037,376	4,037,376	3,946,219	4,156,761	4,156,761

## Objective Summary

**Objective:** 32FV DOC Farm Program - Objective 3-Treasury

**Description:** Effective utilization of inmate labor field crops and livestock yields are comparable to private operations, and excess products are marketed utilizing permissible techniques that generate income from sales sufficient to cover expenses of all farm operations, maximizing production of food for inmate consumption and supports annual operation of the Inmate Care and Custody program.

		Historical Data		Agency Request and Executive Recommendation					
		2003-2004	2004-2005	2005-2006			2006-2007		
Commitment Item		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	286,466	292,509	302,242	302,242	302,242	311,259	311,259	311,259
<b>#Positions</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching	5010003	81,371	92,685	98,481	98,481	98,481	100,505	100,505	100,505
Operating Expenses	5020002	875,819	2,303,463	2,303,463	2,303,463	2,303,463	2,303,463	2,303,463	2,303,463
Professional Fees and Services	5060010	76,799	100	100	100	100	100	100	100
Capital Outlay	5120011	297,288	0	0	0	0	0	0	0
Objective Total		1,617,743	2,688,757	2,704,286	2,704,286	2,704,286	2,715,327	2,715,327	2,715,327

## **Analysis of Budget Request**

**Appropriation / Program:** 0480P05 - DOC Industry Program

**Funding Sources:** SDD-DOC Prison Industry

The Prison Industry Program is a self-supporting operation funded by special revenues generated from the sale of goods produced and sold to other public tax-supported agencies, non-profit organizations, and employees of ADC. Industry program provides opportunities for inmates to learn productive and marketable skills. Industry programs include: Graphic Arts and Duplicating, Mattress Manufacturing, Garment Manufacturing, Furniture Manufacturing, Vinyl Products, Janitorial Products, Athletic/Recreational Equipment Production, and the Fabrication Shop.

The Agency met all three key measures. One of their key measures was exceeded. The Agency had 63 inmates receiving vocational certificates and/or proficiency certification through an ACI Program, which exceeded their target of 58 inmates.

The Base Level for this program includes a graduated salary increase of 3.0% to 1.5% each year over the FY05 salary levels, along with related Personal Services Matching cost for 50 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State contribution of \$320 per month per budgeted employee.

The Base Level Request is for \$7,862,933 in FY06 and \$7,924,872 in FY07.

The Agency Change Level request is based upon the expansion of the Janitorial Products program at the Delta Regional Unit and the Metal Fabrication Shop Program at the Tucker Unit. This includes three additional positions and related operating expense and equipment. The Agency would like to implement a new Prison Industries Enhancement (PIE) Program. This is a federally certified program that encourages state and local governments to establish employment opportunities for prisoners that approximate private sector work opportunities. The PIE program is a self-supported operation and the cost of the three new positions and Operating Expenses will be covered from profits of the PIE program. A summary of these requests is as follows:

- Salary and Personal Services Match request of \$332,740 in FY06 and \$342,126 in FY07.
- Operating Cost of \$14,000 in FY06 and \$10,500 in FY07.
- Capital Outlay request of \$343,900 in FY06 and \$787,600 in FY07.

The Executive Recommendation provides for Agency Request and reduces Base Level in Travel and Conference Fees by \$20,000 each year. The Executive Recommendation further provides for 6 positions and various upgrades as un-funded appropriation.

## **Appropriation / Program Summary**

**Appropriation / Program:** 0480P05 ADC Industry

**Funding Sources:** SDD-DOC Prison Industry

<b>Program Description</b>	<b>Program Goals</b>
The Arkansas Correctional Industries Program produces goods and provides services for public tax-supported agencies, nonprofit organizations and employees of ADC and provides opportunities for inmates to learn productive and marketable skills.	1 Administer and operate Arkansas Correctional Industries in an efficient and cost-effective manner that provides inmates assigned to the Industry Program with productive and significant training opportunities.

<b>Objective Code</b>	<b>Name</b>	<b>Description</b>
40FV	Objective 1	Administrative, managerial, and quality assurance activities support achievement of program objectives as evidenced by monthly/annual income statements for each industry operation, profits from sales of industry products and services are sufficient to support annual operations of the Industry Program and the Inmate Care and Custody program as may be necessary and the number of work-related jobs provided meets needs for operation of all industry programs.

### **Performance Measures**

<b>Objective</b>	<b>Key Measures</b>		<b>Type</b>	<b>Description</b>	<b>2004 Target Authorized / Actual</b>	<b>2006 Target</b>	<b>2007 Target</b>
	<b>Exec</b>	<b>Leg</b>					
1	X	X	Output	# Of inmate work related jobs provided	578/568	578	578
1	X	X	Output	# Of inmates receiving vocational certificates and/or vocational proficiency certification through an ACI Program	58/63	58	58
1	X	X	Outcome	% Operational costs generated by overall sales from ACI programs	100%/100%	100%	100%

## Appropriation / Program Summary

Appropriation / Program: 0480P05 DOC Industry Program  
 Authorized Program Amount **8,164,832**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,501,019	1,633,554	1,701,881	1,954,868	1,882,232	1,752,475	2,013,124	1,938,323
<b>#Positions</b>		<b>47</b>	<b>50</b>	<b>50</b>	<b>56</b>	<b>56</b>	<b>50</b>	<b>56</b>	<b>56</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	451,347	535,545	574,696	654,449	631,208	586,041	667,518	643,576
Operating Expenses	5020002	3,600,831	5,551,356	5,551,356	5,565,356	5,565,356	5,551,356	5,561,856	5,561,856
Travel-Conference Fees	5050009	1,377	25,000	25,000	25,000	5,000	25,000	25,000	5,000
Capital Outlay	5120011	98,180	57,500	0	343,900	343,900	0	787,600	787,600
Total		5,652,754	7,812,955	7,862,933	8,553,573	8,437,696	7,924,872	9,065,098	8,946,355

Funding Sources									
Fund Balance	4000005	1,835,853	2,437,268	298,400	298,400	298,400	0	0	0
Special Revenue	4000030	6,254,169	5,674,087	7,564,533	8,255,173	8,108,241	7,924,872	9,065,098	8,767,443
Total Funding		8,090,022	8,111,355	7,862,933	8,553,573	8,406,641	7,924,872	9,065,098	8,767,443
Excess Appro/(Funding)		(2,437,268)	(298,400)	0	0	31,055	0	0	178,912
Grand Total		5,652,754	7,812,955	7,862,933	8,553,573	8,437,696	7,924,872	9,065,098	8,946,355



## Objective Summary

**Objective:** 40FV DOC Industry Program - Objective 1-Treasury

**Description:** Administrative, managerial, and quality assurance activities support achievement of program objectives as evidenced by monthly/annual income statements for each industry operation, profits from sales of industry products and services are sufficient to support annual operations of the Industry Program and the Inmate Care and Custody program as may be necessary and the number of work-related jobs provided meets needs for operation of all industry programs.

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,501,019	1,633,554	1,701,881	1,954,868	1,882,232	1,752,475	2,013,124	1,938,323
<b>#Positions</b>		<b>47</b>	<b>50</b>	<b>50</b>	<b>56</b>	<b>56</b>	<b>50</b>	<b>56</b>	<b>56</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	451,347	535,545	574,696	654,449	631,208	586,041	667,518	643,576
Operating Expenses	5020002	3,600,831	5,551,356	5,551,356	5,565,356	5,565,356	5,551,356	5,561,856	5,561,856
Travel-Conference Fees	5050009	1,377	25,000	25,000	25,000	5,000	25,000	25,000	5,000
Capital Outlay	5120011	98,180	57,500	0	343,900	343,900	0	787,600	787,600
Objective Total		5,652,754	7,812,955	7,862,933	8,553,573	8,437,696	7,924,872	9,065,098	8,946,355